

## Succession Planning in Healthcare: Moses Cone

### The Challenge

**Moses Cone Health System (MCHS) had no structured succession plan in place for critical functional areas, and the Board expressed concern.**

Moses Cone Health System (MCHS) is a premier healthcare institution in North Carolina consisting of 5 hospitals, with \$1 billion in revenue and 8,000 employees. In 2003, MCHS had named a new CEO, who had been promoted from within. MCHS's Board of Trustees, which includes directors from outside the healthcare industry, expressed concern to the new CEO that MCHS had no structured succession plan in place for critical functional areas. As a result, the need to ensure a pipeline of leaders was incorporated into the organization's strategic plan. Initial effort was made to find other healthcare organizations to benchmark against, but the search yielded limited results. It became clear that MCHS would need to chart its own course to create an effective succession planning process to ensure the long term viability of leadership within MCHS.

### Linkage Solution

**After taking a 2-day Linkage program, an MCHS team puts a succession program in place.**

Having considered many options for training and learning, MCHS's Director of Organizational Development, Joan Evans, and an MCHS Nurse Executive attended Linkage's 2-day workshop, **Designing and Implementing Succession Management Systems**, in Atlanta in late 2005. Over the next year and a half, Evans said, "We implemented what we learned in the program, step by step."

The first important step was to select a functional area at MCHS within which to begin implementing the program. MCHS selected the critically important nursing function, which incorporates 5 levels of leadership. An interdisciplinary project team was formed from across all MCHS functional areas and all levels of staff, from senior executive to front-line employee. This team was tasked with designing and implementing a framework for the succession planning program. MCHS, stated the OD Director, had an implied leadership competency model; however, the Linkage program emphasized the need to specifically define the required behaviors within each competency, and the team took that on. The team

- Defined 8 competencies for each of the 5 levels of nurse leadership and
- For each competency, defined the behaviors deemed critical for success





The project team then surveyed all nursing leaders (113 total) and asked about short- and long-term career goals and developmental needs. This helped to identify where the gaps in leadership roles would occur over the next 3-5 years. “We were impressed by the openness and level of transparency demonstrated by our leaders. Most cited short- and long-term career goals, timelines for retirement, and some even said they were actively looking outside the organization for a new role,” said Evans. These data helped the project team identify leadership needs for the next 3-5 years and beyond.

The next step the team tackled was to craft the talent review process, which would identify high potentials. More than 100 talent review meetings occurred in which each leader’s past performance was assessed using performance on key organizational metrics. Future potential was considered, and each nursing leader was placed in a nine-box performance and potential matrix. Nineteen high potentials were identified; 16 accepted the invitation to enter the formal “succession group.”

After identifying high potentials, the team worked to put process and programs in place to ensure that high potentials are being prepared for the next level of leadership. MCHS does this through action learning, project assignment, and individual and team coaching. Individuals’ development plans outline each leader’s goals and action steps, which will prepare them to be ready for a promotion when the opportunity exists.

A key decision that was made in the design process was to determine how transparent MCHS should be about the high potential program and follow through on the decision – for example, should individuals be told that they had been selected? Would others know? MCHS decided on complete transparency. As Evans stated, “We decided on total transparency: we communicate [about the high potentials in nursing and across our organization], and we celebrate.”

#### Results:

### Moses Cone’s Return on Investment

The table below shows MCHS results to date for succession planning in the 5 levels of leadership in nursing. With respect to ROI, the results show cost savings (in recruitment costs), and imply additional cost savings in being able to fill more positions from within MCHS and to fill roles nearly twice as fast.

Measurements Taken	2005 result	2008 result
nursing leadership role openings filled from within MCHS	57%	74%
Time to fill a role in nursing leadership	7.4 mos.	4 mos.
Recruitment costs for nursing leadership	\$300,000	\$68,000
High potentials identified	0	16 (3 promoted in 2008)
Number of individuals in the high-potential pool for each of the 5 levels of nursing leadership	0	At least 2

Other healthcare companies, and now people from companies in other industries, come to MCHS to benchmark their own succession planning efforts. Joan Evans receives frequent requests to share MCHS’ journey to build a succession planning program. Using a similar approach, process, and metrics, MCHS will continue to roll out similar succession planning in additional functional areas, one by one. Said Evans, “Clearly, what we learned from Linkage and the resources they offered were vital to our design, planning, and implementation processes. While we recognize that we are just beginning this journey, we are confident that we are on the right track because of the information and sharing we received.”



## Linkage Products and Services used in this Case Study

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### **Designing and Implementing Succession Management Systems**

A 2-program for executive and management development directors, OD practitioners, and HRD executives who want to build, improve, or redesign their succession management processes. In this hands-on program, participants learn the critical decision points and a step-by-step approach to effective succession management.

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**For more information on Linkage's succession planning solutions, contact us at 781.402.5555.**